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6 Attorney for Objectors DEBORAH DYKES-HOWE,  
7 JOHN HOWE, DEARN MILLER and EVERGREEN MONROE

8 **UNITED STATES DISTRICT COURT**

9 **NORTHERN DISTRICT OF CALIFORNIA**

10 ) Case No. 02-1240 CW  
11 ) (Consolidated with Case Nos.  
12 ) 02-4867, 02-2529, 02-4646, 02-5520  
13 **IN RE:** )  
14 **HOUSEHOLD LENDING LITIGATION** ) **PRELIMINARY OBJECTIONS TO**  
15 ) **PROPOSED CLASS ACTION**  
16 ) **SETTLEMENT AND NOTICE OF**  
17 ) **INTENT TO APPEAR**  
18 )  
19 ) Date: April 30, 2003  
20 ) Time: 10:00 a.m.  
21 ) Room: 2  
22 ) Assigned to the Hon. Claudia Wilken  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )

21  
22 **COMES NOW, OBJECTORS, DEBORAH DYKES-HOWE, JOHN HOWE, DEARN**  
23 **MILLER and EVERGREEN MONROE, ("Objectors") identified Class Members to this action, by**  
24 **and through their undersigned counsel of record, and hereby file these Preliminary Objections to the**  
25 **Proposed Class Action Settlement. In support thereof, Objectors state as follows:**

## **PROOF OF MEMBERSHIP IN CLASS**

1. Objector, DEBORAH DYKES-HOWE, received the "NOTICE OF PROPOSED  
2  
3 CLASS ACTION SETTLEMENT AND SETTLEMENT HEARING" (hereinafter "the Notice").  
4  
5 Accordingly, pursuant to the Notice, DEBORAH DYKES-HOWE is a member of the Settlement  
6 Class subclass (A) defined as "ALL CURRENT AND FORMER BORROWERS OF  
7 HOUSEHOLD FINANCE CORPORATION, HOUSEHOLD INTERNATIONAL, INC.,  
8 BENEFICIAL CORPORATION, HOUSEHOLD INSURANCE GROUP, HOUSEHOLD REALTY  
9 CORPORATION, OR THEIR DIRECT OR INDIRECT PARENTS OR SUBSIDIARIES  
10 (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A) ON OR AFTER JANUARY 1, 1999, AND  
11 ON OR BEFORE DECEMBER 24, 2003, ENTERED INTO A REAL ESTATE SECURED LOAN  
12  
13 ORIGINATED OR PROCESSED AT A RETAIL CONSUMER LENDING BRANCH OF  
14 HFC/BENEFICIAL WITHIN THE UNITED STATES." Objector, DEBORAH DYKES-HOWE,  
15 on or after January 1, 1999, and on or before December 24, 2003, entered into a real estate secured  
16 loan originated or processed at a retail consumer lending branch of HFC/Beneficial within the United  
17 States.  
18

20       2.     Objector, JOHN HOWE, received the “NOTICE OF PROPOSED CLASS ACTION  
21     SETTLEMENT AND SETTLEMENT HEARING” (hereinafter “the Notice”). Accordingly,  
22     pursuant to the Notice, JOHN HOWE is a member of the Settlement Class subclass (A) defined as  
23     “ALL CURRENT AND FORMER BORROWERS OF HOUSEHOLD FINANCE CORPORATION,  
24     HOUSEHOLD INTERNATIONAL, INC., BENEFICIAL CORPORATION, HOUSEHOLD  
25     INSURANCE GROUP, HOUSEHOLD REALTY CORPORATION, OR THEIR DIRECT OR

1 INDIRECT PARENTS OR SUBSIDIARIES (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A)  
2 ON OR AFTER JANUARY 1, 1999, AND ON OR BEFORE DECEMBER 24, 2003, ENTERED  
3 INTO A REAL ESTATE SECURED LOAN ORIGINATED OR PROCESSED AT A RETAIL  
4 CONSUMER LENDING BRANCH OF HFC/BENEFICIAL WITHIN THE UNITED STATES."

5  
6 Objector, JOHN HOWE, on or after January 1, 1999, and on or before December 24, 2003, entered  
7 into a real estate secured loan originated or processed at a retail consumer lending branch of  
8 HFC/Beneficial within the United States.  
9

10 3. Objector, DEARN MILLER, received the "NOTICE OF PROPOSED CLASS  
11 ACTION SETTLEMENT AND SETTLEMENT HEARING" (hereinafter "the Notice").  
12 Accordingly, pursuant to the Notice, DEARN MILLER is a member of the Settlement Class  
13 subclass (A) defined as "ALL CURRENT AND FORMER BORROWERS OF HOUSEHOLD  
14 FINANCE CORPORATION, HOUSEHOLD INTERNATIONAL, INC., BENEFICIAL  
15 CORPORATION, HOUSEHOLD INSURANCE GROUP, HOUSEHOLD REALTY  
16 CORPORATION, OR THEIR DIRECT OR INDIRECT PARENTS OR SUBSIDIARIES  
17 (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A) ON OR AFTER JANUARY 1, 1999, AND  
18 ON OR BEFORE DECEMBER 24, 2003, ENTERED INTO A REAL ESTATE SECURED LOAN  
19 ORIGINATED OR PROCESSED AT A RETAIL CONSUMER LENDING BRANCH OF  
20 HFC/BENEFICIAL WITHIN THE UNITED STATES." Objector, DEARN MILLER, on or after  
21 January 1, 1999, and on or before December 24, 2003, entered into a real estate secured loan  
22 originated or processed at a retail consumer lending branch of HFC/Beneficial within the United  
23 States.  
24  
25  
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1       4.     Objector, EVERGREEN MONROE, received the "NOTICE OF PROPOSED CLASS  
2 ACTION SETTLEMENT AND SETTLEMENT HEARING" (hereinafter "the Notice").  
3 Accordingly, pursuant to the Notice, EVERGREEN MONROE is a member of the Settlement Class  
4 subclass (A) defined as "ALL CURRENT AND FORMER BORROWERS OF HOUSEHOLD  
5 FINANCE CORPORATION, HOUSEHOLD INTERNATIONAL, INC., BENEFICIAL  
6 CORPORATION, HOUSEHOLD INSURANCE GROUP, HOUSEHOLD REALTY  
7 CORPORATION, OR THEIR DIRECT OR INDIRECT PARENTS OR SUBSIDIARIES  
8 (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A) ON OR AFTER JANUARY 1, 1999, AND  
9 ON OR BEFORE DECEMBER 24, 2003, ENTERED INTO A REAL ESTATE SECURED LOAN  
10 ORIGINATED OR PROCESSED AT A RETAIL CONSUMER LENDING BRANCH OF  
11 HFC/BENEFICIAL WITHIN THE UNITED STATES." Objector, EVERGREEN MONROE, on  
12 or after January 1, 1999, and on or before December 24, 2003, entered into a real estate secured loan  
13 originated or processed at a retail consumer lending branch of HFC/Beneficial within the United  
14 States.  
15

16       5.     The parties to this cause have entered into a proposed Settlement ("Settlement").  
17

18       6.     OBJECTOR DEBORAH DYKES-HOWE, originally represented by Paul S.  
19

20 Rothstein, Esq. 626 NE 1<sup>st</sup> Street, Gainesville, FL 32601; Objector JOHN HOWE, originally  
21 represented by Edward W. Cochran, Law Office of Edward W. Cochran, 2872 Broxton Road, Shaker  
22 Heights OH 44120; Objector DEARN MILLER, originally represented by Frank H. Tomlinson, Esq.,  
23 Pritchard McCall & Jones, LLC, 505 N. 20th Street, Suite 800, Birmingham AL 35203-2605; and  
24 Objector EVERGREEN MONROE, originally represented by N. Albert Bacharach, Jr., 115 NE 6th  
25

1 Avenue, Gainesville FL 32601; (hereinafter, collectively "Objectors") through counsel, having  
2 reviewed the Notice, believe and therefore allege that such proposed Settlement is not fair, adequate,  
3 or reasonable. As a result, Objectors respectfully submit that this Court should decline to approve  
4 the proposed Settlement as currently presented.

6 7. Objectors now enter their appearance in this cause to participate in further  
proceedings before this Court and to prosecute this action to the end purpose that any settlement or  
8 other resolution proposed or approved by the Court shall be, in all respects, fair, adequate and  
9 reasonable.

11 8. Because of such legal failure and insufficiencies as alleged herein by reference, the  
12 Court should withdraw its preliminary approval and Order material to the proposed settlement and  
13 enter its supplemental Order requiring further proceedings in this action. By such further proceedings  
14 the Court properly should consider and determine the contested and challenged issues raised in these  
15 instant Objections.

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18  
19 **NOTICE OF INTENT TO APPEAR**

20 OBJECTOR DEBORAH DYKES-HOWE, originally represented by Paul S. Rothstein, Esq.  
21 626 NE 1<sup>st</sup> Street, Gainesville, FL 32601; Objector JOHN HOWE, originally represented by Edward  
22 W. Cochran, Law Office of Edward W. Cochran, 2872 Broxton Road, Shaker Heights OH 44120;  
23 Objector DEARN MILLER, originally represented by Frank H. Tomlinson, Esq., Pritchard McCall  
24 & Jones, LLC, 505 N. 20th Street, Suite 800, Birmingham AL 35203-2605; and Objector  
25 EVERGREEN MONROE, originally represented by N. Albert Bacharach, Jr., 115 NE 6th Avenue,  
26

1 Gainesville FL 32601, hereby give notice they intend to appear by counsel at the Fairness Hearing  
2 that is presently scheduled to be held in this matter on April 30, 2004 before the Honorable Claudia  
3 Wilken of the United States District Court for the Northern District of California, Courtroom 2,  
4 4th Floor, 1301 Clay Street, Oakland, California.  
5

6

7 **OBJECTIONS**

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9 The proposed Class Action Settlement is inadequate, unfair and unreasonable for the  
10 following reasons:

11 1. The proposed Settlement fails to meet the legal prerequisites of fairness, adequacy  
12 or reasonableness to the members of the class as mandated by law. It is to the alleged failures,  
13 insufficiencies, and unreasonable provisions of the proposed Settlement that these Objections are  
14 directed.

15 2. The many and varied, but serious, deficiencies of the proposed Settlement and  
16 published Notice include the following:

17 a. The Notice fails to inform class members of the aggregate size of the class or  
18 of the sizes of the subclasses 1(A) and 1(B) and 2 as set forth in § III (A) of the Settlement  
19 Agreement.

20 b. The Notice fails to inform class members of the approximate aggregate value  
21 of the purported settlement benefits. Without any information concerning the value of the proposed  
22 settlement, class members are unable to make an intelligent decision about, or the reasonableness  
23 of, class counsel's request for \$16 million in attorney's fees and costs. The Notice fails to inform  
24

class members as to the limits of Defendant's liabilities under the settlement assuming 100% of eligible class members make claims.

c. Objectors object that the Release is overly broad and knowingly and specifically extinguishes claims that are not part of this litigation and are admittedly unknown to class members and class counsel. The Release consists of language that could essentially release Defendants from an action, regardless of how remotely related the new action may be. Indeed, given the complete failure of the Notice to sufficiently describe the terms of the proposed Settlement, the overbreadth of the proposed Release simply means that class members will give up an entire range of possible claims against the defendants without ever receiving understandable information satisfactorily explaining the actual monetary consideration that purports to support that Release.

d. The Notice fails to inform class members what, if anything, happens to the money Defendant has earmarked for this Settlement if there is an extremely low take-rate of one or two percent.

3. The requested attorneys' fee of \$16 million may be excessive and should be held in abeyance until such time as the court can assess the actual value of the settlement to class members.

4. Objectors request the Court carefully consider the amount of attorneys' fees and expenses requested by class counsel, an issue which Objectors expressly reserve for further argument when the matter of fees is considered.

5. Objectors respectfully request to reserve the right to adopt and incorporate in their Preliminary Objections to the Notice and Proposed Settlement Agreement all other well-taken, timely filed objections

1 WHEREFORE, OBJECTORS DEBORAH DYKES-HOWE, JOHN HOWE, DEARN  
2 MILLER and EVERGREEN MONROE, respectfully request that this Court:  
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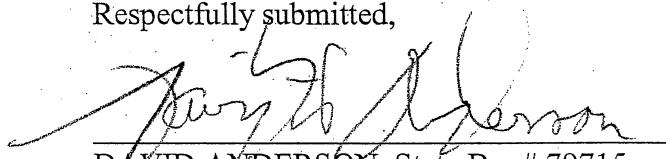
4 A. Upon proper hearing, sustain these Objections;

5 B. Upon proper hearing, continue the issue of attorneys' fees until such time as  
6 it can be ascertained the actual benefit to class members.

7 C. Upon proper hearing, enter such Orders as are necessary and just to adjudicate  
8 these Objections and to alleviate the inherent unfairness, inadequacies and unreasonableness of the  
9 proposed Settlement.

10 Dated: April 9, 2004

11 Respectfully submitted,



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13  
14 DAVID ANDERSON, State Bar # 79715  
15 HAUSER AND MOIZES  
16 18826 North Lower Sacramento Rd  
17 Woodbridge, CA 95258  
Telephone: 209-368-1368  
Facsimile: 209-368-1472

**PROOF OF SERVICE BY U.S. MAIL**

I, the undersigned, declare:

I am over 18 years of age and not a party to this action. My principal place of business is located in the County of San Joaquin, California at Hauser & Mouzes, 18826 North Lower Sacramento Rd., Suite H, Woodbridge CA 95258. On April 9, 2004, I served the attached PRELIMINARY OBJECTIONS TO PROPOSED CLASS ACTION SETTLEMENT AND NOTICE OF INTENT TO APPEAR by causing a true and correct copy of the above to be served by U.S. Mail as follows:

**Plaintiffs' Counsel:**

Joseph P. Cotchett, Jr.  
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44 School Street  
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### **Defendants' Counsel:**

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### Defendants' Counsel:

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Jonathan P. Hayden  
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333 Bush Street  
San Francisco, CA 94104-2878

I am readily familiar with the practice of this office for collection and processing of correspondence for mailing with the United States Postal Service and correspondence is deposited with the United States Postal Service that same day in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on April 9, 2004 at Woodbridge, California.

TAMMY L. RYANS